

Mayor's Letter

Dear Friends:

Mesa continues to be one of the nation's fastest-growing cities and is now the 40th-largest in the United States. With more than 325 days of sunshine annually, we offer an exceptional quality of life and the services to support our community needs.

However, as our community expands, Mesa can no longer rely upon new housing construction and a steadily increasing growth in sales tax dollars to finance municipal services for our build-out population. In 25 years, the population is projected to be 650,000 people, an addition of 210,000 over our current population of 440,000.

My work experiences have reinforced my belief in the need for one to develop a budget, pay particular attention to expenses and work to stay within one's means. I'm using this same philosophy in my Mayoral capacity as the impetus for the development of a financial forecast that will allow us to look at all of the costs over the life of a project.

A key example is a City library: the initial capital cost could be \$8 million, but the operational costs also can be \$1.2 million per year for the life of the project. The forecasting system we are developing will help the Mesa City Council make informed decisions as we evaluate not only the cost to construct a facility, but also the cost to operate and maintain each facility over the life of the project.

This financial forecast will aid us in budgeting for build-out as well as assist the Mesa City Council in making informed decisions about our financial future and whether or not a particular project is affordable and can be sustained over time.

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Due to the complexity of our financial forecasting model, our initial development is a seven-year financial forecast to coincide with our Capital Improvement Program. This model can be adjusted as decisions are made. Ultimately, an extension of the forecast to 25 years will allow us to look at the future of Mesa to build-out.

Through the financial forecast, we can examine our population projections in relation to the costs associated with the reconstruction and replacement of current infrastructure. Streets don't last forever, and with this forecast system, we can calculate the rate of deterioration and when we anticipate a need for reconstruction. These costs will then be built into the forecast, and will help us determine the types of revenues we will need to support City services. It will also help future City Councils as they evaluate each biennial budget and provide foresight as they evaluate options of adding new programming or belt-tightening.

Another important factor in achieving our vision for Mesa's future is the Mesa 2025: A Shared Vision General Plan update. By law, all municipalities within the state must develop a comprehensive plan for smart growth. Our General Plan update was approved overwhelmingly by Mesa residents in November 2002. It is a business plan that looks beyond the two years that our municipal budget covers, and will ensure that our growth does not inhibit our ability to be a well-thought-out, sustainable community 25 to 50 years from now. Our General Plan is a roadmap and it will guide us as we work to achieve our collective vision.

Mesa is an outstanding community with a strong foundation. Our financial forecast, in combination with the implementation of our General Plan update, will further our transition from bedroom community to boardroom community. We are committed to improve our jobs-to-housing ratio and build upon our foundation to make Mesa an even better place to live, learn, work, play and shop.

Sincerely,



KENO HAWKER

Mayor